BUILDING BETTER COMMUNITIES, ONE GRANT AT A TIME

2013 ANNUAL REPORT

July 1, 2012, to June 30, 2013

The Notary Foundation *of* British Columbia

BUILDING BETTER COMMUNITIES, ONE GRANT AT A TIME

Mandate

The Notary Foundation helps the people of British Columbia by providing funding for legal aid, legal research, and public legal education, while supporting the professional development of BC Notaries and Notarial candidates.

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Cover Photo Credits

Susan Davis: www.wildmanphotography.com

Scenes of BC: Owllight Photography

Message from Wayne Braid The Executive Officer

This year we say a fond farewell to Susan Davis who has served on the Board of The Society for many years and as our President, Past President, and Chair of the Notary Foundation.

I am sure you join me in thanking Susan for her years of service and dedication and in wishing her all the very best in her future endeavours.

Report from Susan Davis
The Chair

The year 2012 was very busy for the members of The Society of Notaries Public of BC. Real Estate transactions were up from the previous year and balances in our trust accounts held steady.

The interest rates continue to be at historical lows, however. As a result, the interest earned on funds held in trust was lower than in the previous year. Our Governors have been very prudent in reviewing Grant applications and ensuring that the applications approved meet our goal of assisting organizations that provide quality services to people who most need current legal information and guidance.

To that end, I am pleased that we have been able to fund the organizations listed below during the 2012–13 fiscal year.

Grants

The Foundation has granted funding to the following organizations since our last AGM report of September 2012.

RECIPIENT	GRANT	PROJECT
BC Civil Liberties Association	$5,000	"Rightstalk" Students & Civil Liberties
Nidus Personal Planning Resource Centre	$11,500	Expanding the Resources on Personal Planning
BC Coalition of People with Disabilities	$9,800	People with Disabilities and the Law: *Transition* Magazine
West Coast Domestic Workers' Association	$15,000	Improving Knowledge on Labour Trafficking in BC
West Coast LEAF	$18,409	Mothering with Disabilities
Legal Services Society	$476,048	Legal Education and Research; Legal Aid

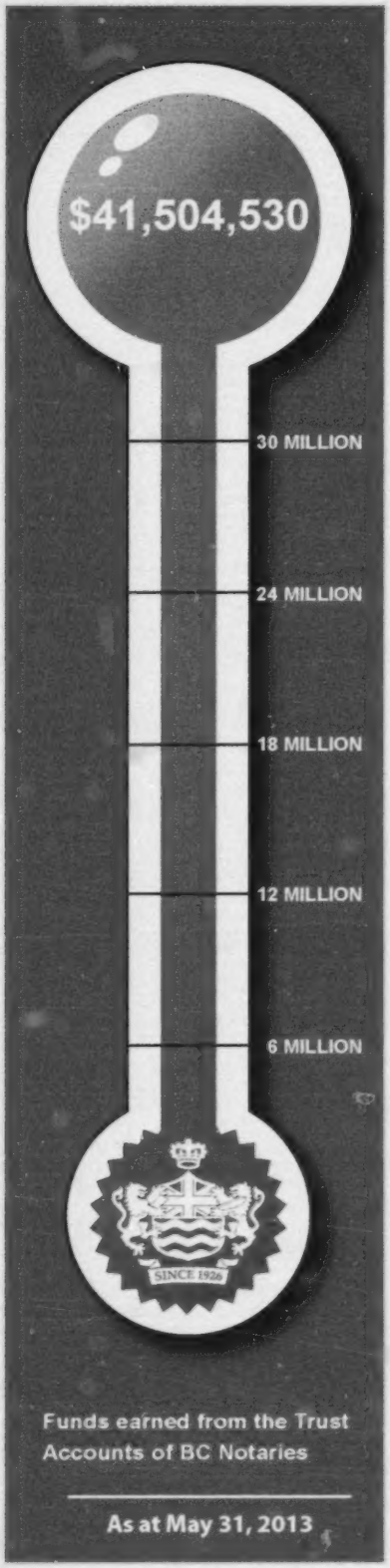
Investment Portfolio Activity

July 1, 2012, to June 30, 2013

Beginning Portfolio Value	$2,123,332
Additions, Withdrawals, Expenses	(1,066)
Gains & Losses	(44,694)
Interest, Dividends, Fees	77,933
Net Gains & Losses	33,238
Ending Market Value	$2,155,681

I wish to thank the Governors of the Notary Foundation.
Each of them gives wholeheartedly of his or her time and expertise to help our Foundation meet its goals.

Respectfully submitted,
Susan Davis



BUILDING BETTER COMMUNITIES, ONE GRANT AT A TIME

The Board of Governors

of the Notary Foundation of BC is comprised of

- 8 members of the Board of Directors of The Society of Notaries Public of BC;
- 1 representative from the Attorney General's office in Victoria;
- 2 Directors-at-Large, appointed by the Attorney General; and
- the Executive Officer.

The members from The Society are elected by the Directors of The Society from among their ranks, for a 3-year period.

The Current Governors

Susan Davis, Chair
Ken Sherk
John Eastwood
Akash Sablok
Rhoda Witherly
Tammy Morin Nakashima
David Moore
Leta Best
Lisa Nakamura
Filip de Sagher

Susan Davis

Ken Sherk

John Eastwood

Akash Sablok

Rhoda Witherly

Wayne Braid

G. W. Wayne Braid, Executive Officer of the Notary Foundation, is responsible for the administration of the office and staff, and the diverse investment funds of the Foundation.

The Board of Governors meets quarterly to consider applications for funding from various organizations and to set policy, review the Foundation's financial status, and provide direction for the administration of the Foundation.

The Governors of the Foundation have the responsibility of guiding the Foundation in its mandate to disperse the funds generated by interest on BC Notaries' Trust Accounts.

Tammy Morin Nakashima

David Moore

Leta Best

Lisa Nakamura

Filip de Sagher

The Notary Foundation funds are used for the following purposes.

1. Legal education
2. Legal research
3. Legal aid
4. Education and Continuing Education for BC Notaries and applicants who have enrolled to become BC Notaries
5. Establishment, operation, and maintainance of law libraries in BC
6. Contributions to the Special Fund established under the Notaries Act of BC

Terresa Augustine

SPOTLIGHT ON GOOD WORKS

The Notary Foundation Makes a Difference

The People's Law School (PLS) provides people in BC with free public legal education and information (PLEI).

Thanks to the Notary Foundation's grant program, last year we were able to distribute 91,000 plain language PLEI booklets to teachers, Notaries, lawyers, advocates, health and community-service providers, librarians, and individuals.

Resource distribution is a primary beneficiary of the grant, as is the production of new and revised resources in various formats. We produce PLEI resources in multiple formats to address the comprehension levels, language skills, and topics of interest to BC's diverse population. Responding to need and demand, PLS translated the booklets "Writing Your Will," "A Death in Your Family," and "Power of Attorney" into multiple languages and produced videos, factsheets, e-books, and animations on other legal topics such as Employment, Immigration, and Family and Consumer Law.

Working with community partners like TRAC (Tenant Resource & Advisory Centre), we distributed the "Tenant Survival Guide."

Partnering with The Canadian Grandparents Rights Association, we updated and continue to distribute "The Child's Right to Love." A new partnership with the BC Centre for Elder Advocacy and Support brings the revised "When I'm 64" series of resources for seniors to BC in August 2012. The resource kit includes print booklets, e-books, and a webinar to introduce seniors and senior service providers to the information and services available.

As the demand for public legal education and information grows, we grow alongside.

All PLEI resources are available on our website and through community partner sites that include ClickLaw, MOSAIC Multilingual Legal site, and ImmigrantLegal.ca. Complementing these traditional types of distribution, we tweet and post regularly. You can follow us on Facebook or Twitter or watch us on our own PLS YouTube channel. Links to all sites listed are available at www.publiclegaled.bc.ca.

As the demand for public legal education and information grows, we grow alongside. This year we brought all our page layout and design in-house and attached an online shopping cart to our website. The shopping cart improves the ordering process for customers and People's Law School.

As a customer, you set up your account information once, then using the protected password, you may re-order without re-entering contact or shipping information. You can also track your order. Where it takes time to integrate a new system, we are already seeing the rewards in improved customer service, inventory management, planning, and reporting.

People's Law School is honoured to provide the people in BC with public legal education and information. Access has been recognized as empowering to people enabling them to identify legal issues, remove barriers, and resolve legal problems.[1]

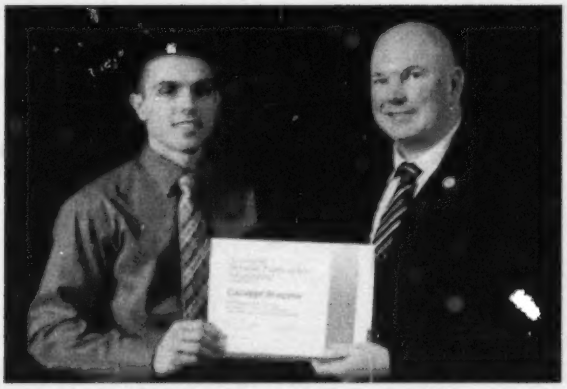
We thank the Notary Foundation for their contribution to our work and the needs of people in BC. You really make a difference. ▲

Terresa Augustine is Executive Director of the People's Law School, Vancouver, BC, a nonprofit charitable society that has been providing free and impartial public legal education and information to the people in BC since 1972.

Visit us at Suite 150 – 900 Howe Street, Vancouver, or online at www.publiclegaled.bc.ca.

1 *Department of Justice (2010). Report of the Public Legal Education and Information (PLEI) Research Workshop "Making a Difference: Measuring the Impact of PLEI." PLEI Coordinators and Resource Unit | Research and Statistics Division, Ottawa, ON.*

From *The Scrivener*, Volume 21 Number 2 Summer 2012



Giuseppe Bruzzese with David Watts, member of the Board of Directors of The Society of Notaries

Notary Foundation Grant-Recipient Letter

I would like to extend my sincere gratitude toward all individuals from The Society of Notaries Public of BC and the Notary Foundation who selected me as the recipient of this Langara Scholarship.

It will provide financial assistance for my classes in the next semester and help me achieve my target graduation date of June 2013. i am grateful that The Society of Notaries believes in recognizing hardworking business students here at Langara College.

Your scholarship will allow me to focus on my education and further develop my business and leadership skills so that, in turn, I can be supportive toward other students in the future. Thanks to scholarships such as yours, students can strive for success in their education.

My deepest thanks once again.

Sincerely,
Giuseppe Bruzzese

From *The Scrivener*, Volume 21 Number 2 Summer 2012

Douglas College Student

Thank you!

I recently received a grant from the Notary Foundation of BC and really appreciate your help.

Your support has alleviated my financial situation; I don't have to worry about borrowing school equipment from others.

In my spare time, I volunteer at a policing station, generally patrolling the Chinese community to check car licences and speed. I have made three good friends there with many mutual interests such as playing music, volunteering, and a future in the law.

I also volunteer at Kiwassa Neighbourhood House to help immigrants adapt to their new environment. As a leader, my basic responsibility is to take the immigrants to explore Vancouver. That is so much fun!

I have been in Canada for about 6 years. If I returned to my home country, I would not have a chance to go to college because of my financial situation. I am very grateful for what I have. Living in Canada brings me hope. People are very generous and polite.

As for now, I am in the Legal Studies program at Douglas College with the goal of becoming a police officer or a lawyer.

Best regards,
Johnny Guan

From *The Scrivener*, Volume 21 Number 3 Fall 2012

The Community Law Advocacy Program in Maple Ridge/Pitt Meadows

The Community Law Advocacy Program of Maple Ridge/Pitt Meadows Community Services has been able to extend its advocacy services, thanks to the Notary Foundation Grant.

A barrier to advocacy services was identified after a number of clients voiced their concerns about setting up appointments. Many clients who require the assistance of an advocate do not have access to a telephone. For some clients, the expense of calling and the challenge with their mobility was enough of a hurdle for them to forego the services. As a result, an entire day of service in the program is now dedicated to **drop-in clients only**.

In addition, the Notary Foundation funding has enabled the program to start developing a booklet that will provide advocacy clients with local community resources and information on issues specific to the Maple Ridge and Pitt Meadows communities.

Our advocacy program deeply impacts the lives of people on a daily basis.

One example is a client who had his income-assistance cheques reduced by $100 each month over the course of a year, resulting in grave hardship.

- The client did not know how to remedy the situation, despite his inquiries about it.
- The client came to the Community Law Advocacy Program to see an advocate about the issue.
- The advocate wrote a letter on his behalf, asking for someone to look into the deductions.
- Shortly thereafter, the client called the advocate to say he had received a cheque for the total amount of the deductions.
- The client was relieved that the deductions would no longer be taken off and he would have more money each month for food.

That is just one scenario of many that demonstrate the value of the advocacy program.

The Community Law Advocacy Program provides information, advice/assistance, referrals, and representation for a variety of issues including the following.

- Welfare Issues: Income Assistance and Hardship Issues
- Employment Issues: Employment Insurance, Canada Pension Plan, CPP Disability, Old Age Security
- Housing: BC Housing, Residential Tenancy Issues for Tenants, Rental Assistance Program
- Consumer/Debt Issues
- Senior Advocacy

The program is a free service open to all residents of Maple Ridge and Pitt Meadows. ▲

Charlotte Kingsbury

Ashley Singh

Charlotte Kingsbury and Ashley Singh are Legal Advocates for Maple Ridge/Pitt Meadows Community Services

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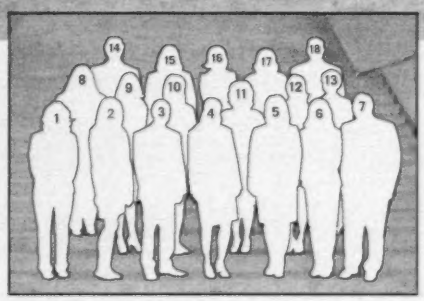
www.comservice.bc.ca

From *The Scrivener*, Volume 21 Number 3 Fall 2012

The Class of 2013



www.wildmanphotography.com

1. Lauren Nicole Stone
2. Mandeep Grewal
3. Aatif Nanji
4. Jennifer Lee Ostle
5. Adele Tagirova
6. Morgen Jena Holt
7. Wayne Braid, CEO of The Society and Executive Officer of the Notary Foundation
8. Jacqueline Michelle Sweet
9. Nicole Lindsay MacDonald
10. Supinder Chahal
11. Jacqueline Nicole Tait
12. Rosalyn Ann Mow
13. Anh-Thu Betty Nguyen
14. Brendon Guy Rothwell
15. Beverly Jean Carter
16. Morrie Catherine Baillie
17. Kathryn Lorraine Battrum
18. Ramandip Singh Sadhra

Notary Foundation of British Columbia
Financial Statements
For the year ended June 30, 2013

Notary Foundation of British Columbia
Financial Statements
For the year ended June 30, 2013

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BDO

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Independent Auditors' Report

To the Members of the
Notary Foundation of British Columbia

We have audited the accompanying financial statements of the Notary Foundation of British Columbia which comprise the Statement of Financial Position as at June 30, 2013, June 30, 2012 and July 1, 2011 and the Statement of Operations, Changes in Net Assets and Cash Flows for the years then ended June 30, 2013 and June 30, 2012, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Notary Foundation of British Columbia as at June 30, 2013, June 30, 2012 and July 1, 2011 and the results of its operations and its cash flows for the years ended June 30, 2013 and June 30, 2012, in accordance with Canadian standards for not-for-profit organizations.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia
August 28, 2013

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Notary Foundation of British Columbia
Statement of Financial Position

June 30	General Fund	Education and Administrative Fund	Grants Fund	June 30, 2013	June 30, 2012	July 1, 2011
					Schedule 1	Schedule 2
Current Assets						
Cash (Note 3)	$ 272,908	$ -	$ -	$ 272,908	$ 502,179	$ 317,960
Accrued interest receivable	75,684	-	-	75,684	86,706	131,481
Short term investments (Note 4)	681,588	-	-	681,588	446,391	485,632
	1,030,180	-	-	1,030,180	1,035,276	935,073
Investments (Note 5)	1,465,043	-	-	1,465,043	1,668,208	1,648,035
	$ 2,495,223	$ -	$ -	$ 2,495,223	$ 2,703,484	$ 2,583,108
Current Liabilities						
Accounts payable and accrued liabilities (Note 6)	$ 476,046	$ 302,913	$ 5,000	$ 783,959	$ 869,497	$ 720,351
Interfund balances	2,019,177	(1,439,358)	(579,819)	-	-	-
	2,495,223	(1,136,445)	(574,819)	783,959	869,497	720,351
Net Assets	-	1,136,445	574,819	1,711,264	1,833,987	1,862,757
	$ 2,495,223	$ -	$ -	$ 2,495,223	$ 2,703,484	$ 2,583,108

Approved by The Board of Governors:

_____ Governor

_____ Governor

The accompanying notes form an integral part of these financial statements.

Notary Foundation of British Columbia
Statement of Operations and Changes in Net Assets

For the year ended June 30	General Fund	Education and Administrative Fund	Grants Fund	2013	2012
					Schedule 3
Revenue (Note 7)					
Interest earned on members' trust accounts	$ 698,966	$ -	$ -	$ 698,966	$ 862,708
Investment income	33,597	-	-	33,597	132,598
	732,563	-	-	732,563	995,306
Expenses					
Education and Administrative Fund (Note 8)	-	302,938	-	302,938	336,224
Grants Fund	-	-	76,300	76,300	159,500
Legal Services Society of British Columbia	476,048	-	-	476,048	528,352
	476,048	302,938	76,300	855,286	1,024,076
Excess of revenue over expenses (expenses over revenue)	256,515	(302,938)	(76,300)	(122,723)	(28,770)
Net assets, beginning of the year	-	1,269,421	564,566	1,833,987	1,862,757
Transfer (to) from Education and Administrative Fund	(169,962)	169,962	-	-	-
Transfer (to) from Grants Fund	(86,553)	-	86,553	-	-
Net assets, end of year	$ -	$ 1,136,445	$ 574,819	$ 1,711,264	$ 1,833,987

The accompanying notes form an integral part of these financial statements.

Notary Foundation of British Columbia
Statement of Cash Flows

For the year ended June 30,	2013	2012
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenue	$ (122,723)	$ (78,770)
Item not involving cash		
Unrealized gains on investments	132,976	(34,667)
	10,253	(63,437)
Changes in non-cash working capital balances		
Accrued interest receivable	11,022	44,775
Accounts payable and accrued liabilities	(85,538)	149,146
	(64,263)	130,484
Investing activity		
Sale (purchase) of investments, net	(165,008)	53,735
Increase (decrease) in cash during the year	(229,271)	184,219
Cash, beginning of year	502,179	317,960
Cash, end of year	$ 272,908	$ 502,179

The accompanying notes are an integral part of these financial statements

5

June 30, 2013

1. Significant Accounting Policies

a) Purpose

The Notary Foundation of British Columbia (the "Foundation") was established in 1986 under Section 50 of the Notaries Act. The Foundation is a not-for-profit organization, which receives funding from interest earned on the pooled trust funds of the notaries.

The Foundation is to establish and maintain funds to be used for the purpose of:

- legal education, legal research and legal aid,
- salary, administration, education and continuing education for notaries and applicants for enrolment as notaries,
- establishing, operating and maintaining law libraries in the Province of British Columbia

b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations ("ASNPO"). These are the Foundation's first financial statements prepared in accordance with ASNPO, which have been applied retrospectively. An explanation of how the transition to ASNPO has changed the Foundation's financial position, financial performance and cash flow is set out in Note 2.

c) Fund Accounting

These financial statements have been prepared on the restricted fund method of accounting for not-for-profit organizations. The Foundation is a tax exempt body under Section 149 of the Income Tax Act.

d) Financial Instruments

Financial Instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market as well as bonds are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and capitalized to the financial instrument for those measured at amortized cost.

1. Significant Accounting Policies - Continued

e) Revenue Recognition

The interest earned on members' trust accounts is calculated net of bank changes and remitted to the Foundation based upon agreements made with individual financial institutions. The trust accounts are not the property of nor are they administered by the Foundation. The interest earned on members' trust accounts held in financial institutions is recognized by the Foundation on an accrual basis when collection is reasonably estimated and assured.

Investment income includes gains and losses on sale of investments, interest and dividend income and gains or losses resulting from changes in the fair market value of investments. Interest and dividend income is recognized when earned and is allocated on a predetermined basis amongst the funds.

f) Grants

Grants are recorded in the Foundation's accounts in the year of authorization.

g) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. First-Time Adoption

Effective July 1, 2011, the Foundation adopted the requirements of the new accounting framework, Canadian Accounting Standards for Not-For-Profit Organizations ("ASNPO") or Part III of the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook. These are the Foundation's first financial statements prepared in accordance with this framework. The accounting policies set out in Note 1 - Significant Accounting Policies have been applied in preparing the financial statements for the year ended June 30, 2013, the comparative information presented in these financial statements for the year ended June 30, 2012 and the preparation of an opening ASNPO balance sheet at the date of transition of July 1, 2011.

The Foundation issued financial statements for the year ended June 30, 2012 using general accepted accounting principles prescribed by the CICA Handbook - Accounting Part V - Pre-changeover Accounting Standards. The adoption of ASNPO resulted in no adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the Foundation. As such, there are no charges to net assets at the date of transition of July 1, 2011. Excess of expenses over revenue reported in the Foundation's most recently issued financial statements is the same as the excess of expenses over revenue under ASNPO for the same period.

3. Cash

The Foundation's cash is held in various Canadian chartered banks. The accounts earn interest at prevailing market rates.

4. Short-term Investments

Investments are comprised of:

	June 30, 2013 Market Value	June 30, 2012 Market Value	July 1, 2011 Market Value
Foreign equities	$ 162,820	$ 104,151	$ 81,641
Canadian equities	465,268	306,753	322,481
Cash	53,500	35,487	81,510
	$ 681,588	$ 446,391	$ 485,632

The Foundation's investments are held through one Canadian investment management company.

Equities are classified as short-term investments as they are revolving equities.

5. Investments

	June 30, 2013 Market Value	June 30, 2012 Market Value	July 1, 2011 Market Value
Corporate bonds	$ 715,564	$ 725,295	$ 723,921
Government bonds	749,479	942,913	924,114
	$ 1,465,043	$ 1,668,208	$ 1,648,035

The corporate bonds bear interest from 4.260% to 5.100% (2012 - 5.000% to 5.675%) per annum and mature between May 5, 2016 and September 10, 2025. The government bonds bear interest from 3.000% to 5.500% (2012 - 2.000% to 5.500%) per annum and mature between November 15, 2018 and December 12, 2036.

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities pertain to the allocation of revenue from the General Fund less payments and are comprised of the following:

	June 30, 2013	June 30, 2012	July 1, 2011
Legal Services Society of British Columbia			
Balance, beginning of period	$ 528,352	$ 516,691	$ 513,474
Earned revenue from General Fund	476,046	528,352	516,691
Payments to Legal Services Society of British Columbia	(528,352)	(516,691)	(513,474)
	476,046	528,352	516,691
Education, administrative and grant payables	307,913	341,145	203,660
Balance, end of the year	$ 783,959	$ 869,497	$ 720,351

Included in the current education, administrative and grant payables is $302,913 (2012 - $336,105) due to the Society of Notaries Public of British Columbia (Note 8).

7. Allocation of Revenue

Restricted contributions are disbursed based on the donor's written direction. Unrestricted contributions and realized revenue earned by the Foundation must be disbursed as follows:

a) 55% to be paid to the Legal Services Society of British Columbia.

b) 10% to be used for legal education, legal research and the establishing, operating and maintaining of law libraries in the Province of British Columbia (the "Grants Fund"). Grant Funds are recognized as payable once approved by the Board of Governors.

c) 35% to be used for salary, administrative, education and continuing education of notaries and notarial applicants (the "Education and Administrative Fund"). The Foundation provides an annual grant to the Society of Notaries Public of British Columbia (the "Society") to fund Education and Continuing Education initiatives which are carried out by the Society on behalf of the Foundation in order for the Foundation to meets its obligation pursuant to its articles of incorporation under the Notaries Act. The Foundation may maintain a reserve fund composed of up to three years of contributions to the Education and Administrative Fund (the "Foundation Reserve Fund").

8. Related Party Transactions

During the year, the Foundation had paid grants in the amount of $302,938 (2012 - $336,224) to the Society which was used by the Society to fund Education and Continuing Education initiatives as described in Note 7(c) which includes salary, administrative, education and continuing education of notaries and notarial applicants and in accordance with the Governance Agreement and the Notaries Act of British Columbia. The transactions are in the normal course of operations and are measured at their carrying amount.

9. Financial Instruments Risks

The Foundation, through its financial assets and liabilities, is exposed to various risks. The Foundation has in place an investment policy for the purpose of reducing these risks through prudent management of the portfolio. The following analysis provides a measurement of those risks at June 30, 2013.

(a) Credit and Market Risk

Credit risk is the risk that The Foundation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist primarily of cash, short-term investments, investments and accrued interest receivable. Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. The Foundation limits its exposure to credit risk by placing its cash, short-term investments and investments with high credit quality governments, financial institutions, corporations and Canadian and foreign equities in accordance with investment policies adopted by the Foundation. Risk and volatility of investment returns are mitigated through the diversification of investments in different geographic regions and different investment vehicles.

9. Financial Instruments Risks - Continued

(b) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation has limited exposure to foreign exchange risk as 90% of all financial instruments are denominated in Canadian dollars.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rates and terms of cash, short-term investments, and investments are as disclosed in Notes 3, 4 and 5.

(d) Liquidity Risk

Liquidity risk is the risk that The Foundation will not be able to meet its obligations as they fall due. The Foundation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due. Investments are also held in securities that can be liquidated within a few days notice.

Notary Foundation of British Columbia
Statement of Financial Position - Schedule 1

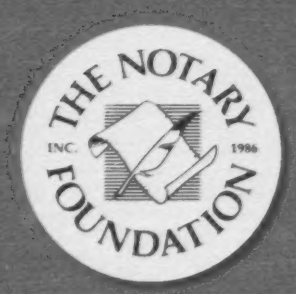
June 30, 2012	General Fund	Education and Administrative Fund	Grants Fund	Total
Current Assets				
Cash (Note 3)	$ 502,179	$ -	$ -	$ 502,179
Accrued interest receivable	86,706	-	-	86,706
Short term investments (Note 4)	446,391	-	-	446,391
	1,035,276	-	-	1,035,276
Investments (Note 5)	1,668,208	-	-	1,668,208
	$ 2,703,484	$ -	$ -	$ 2,703,484
Current Liabilities				
Accounts payable and accrued liabilities (Note 6)	$ 528,352	$ 336,145	$ 5,000	$ 869,497
Interfund balances	2,175,132	(1,605,566)	(569,566)	-
	2,703,484	(1,269,421)	(564,566)	869,497
Net Assets	-	1,269,421	564,566	1,833,987
	$ 2,703,484	$ -	$ -	$ 2,703,484

Notary Foundation of British Columbia
Statement of Financial Position - Schedule 2

July 1, 2011	General Fund	Education and Administrative Fund	Grants Fund	Total
Current Assets				
Cash (Note 3)	$ 317,960	$ -	$ -	$ 317,960
Accrued interest receivable	131,481	-	-	131,481
Short term investments (Note 4)	485,632	-	-	485,632
	935,073	-	-	935,073
Investments (Note 5)	1,648,035	-	-	1,648,035
	$ 2,583,108	$ -	$ -	$ 2,583,108
Current Liabilities				
Accounts payable and accrued liabilities (Note 6)	$ 516,691	$ 178,660	$ 25,000	$ 720,351
Interfund balances	2,066,417	(1,413,415)	(653,002)	-
	2,583,108	(1,234,755)	(628,002)	720,351
Net Assets	-	1,234,755	628,002	1,862,757
	$ 2,583,108	$ -	$ -	$ 2,583,108

Notary Foundation of British Columbia
Statement of Operations and Changes in Net Assets - Schedule 3

For the year ended June 30, 2012	General Fund	Education and Administrative Fund	Grants Fund	Total
Revenue (Note 7)				
Interest earned on members' trust accounts	$ 862,708	$ -	$ -	$ 862,708
Investment income	132,598	-	-	132,598
	995,306	-	-	995,306
Expenses				
Education and Administrative Fund (Note 8)	-	336,224	-	336,224
Grants Fund	-	-	159,500	159,500
Legal Services Society of British Columbia	528,352	-	-	528,352
	528,352	336,224	159,500	1,024,076
Excess of revenue over expenses (expenses over revenue)	466,954	(336,224)	(159,500)	(28,770)
Net assets, beginning of the year	-	1,234,755	628,002	1,862,757
Transfer (to) from Education and Administrative Fund	(370,890)	370,890	-	-
Transfer (to) from Grants Fund	(96,064)	-	96,064	-
Net assets, end of the year	$ -	$ 1,269,421	$ 564,566	$ 1,833,987



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